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Office of Health Policy
c/o Diona Mullins, Policy Advisor
Cabinet for Health & Family Services
275 E. Main Street, 4W-E
Frankfort, Kentucky 40621

To the Office of Health Policy:

My name is Dr. Richard P. Lofgren and I am the President and CEO of UC Health. This letter is in response to the Cabinet for Health & Family Services Office of Health Policy's Special Memorandum, dated October 8, 2014, titled ***Certificate of Need Modernization: Core Principles Request for Stakeholder Input***. Our input is as follows:

1. ***Supporting the Evolution of Care*** – We believe that integration of healthcare providers, information, and facilities is the platform on which both quality and value can be enhanced. Ideally, revisions to existing Certificate of Need (CON) regulations will recognize the special, unique attributes of individual providers, health systems, and Academic Medical Centers by encouraging and allowing each to interconnect or align services in a manner that enhances and amplifies each entity's area of expertise along a continuum of care.
2. ***Incentivizing Development of a Full Continuum of Care*** – We believe healthcare costs and access can be enhanced by introducing competition, connectivity, and specialization at various levels of the care continuum. Almost all health care should be considered local or regional. Greater completion at a standard, basic level of care has been demonstrated to lower cost, enhance access, and promote high patient satisfaction without deterioration in quality. Some relevant examples are Retail Clinics and free-standing Urgent Care Centers. For more complex care, we would like to see regulations that one, promote alignment and collaboration at a local level; two, require an analysis of existing services for more complex or resource intensive services within a region (defined as within 75 miles of the requesting facility or location) as part of the CON process; three, specifically outline an expectation and proof that a good faith effort to link or embed existing services at this level is seriously undertaken; and four, only after these first three requirements are met can the development of new or redundant services and/or facilities be supported.
3. ***Incentivizing Quality*** – Thresholds for CON approval should be relaxed for top performing entities, defined and based on a generally acceptable array of third-party industry service and care measures,

desiring to integrate or align clinical services, facilities, or both. There should also be a requirement to display these measures publicly.

4. ***Improving Access to Care*** – CON waivers should be granted in areas or communities with a high prevalence of Medicaid, indigent, or uninsured individuals, such as inter-city and rural communities.
5. ***Improving Value of Care*** – We believe that all new free-standing outpatient diagnostic and surgical facilities should be required to display all out-of-network pricing publicly.
6. ***Promoting Adoption of Efficient Technology*** – The adoption and use of integrated technology, defined as technology that allows the sharing and access to electronic health information and care related data on generally accepted, standard formats, such as those used in Regional Health Information Organizations (RHIOs) and Electronic Medical Records (EMRs) which meet all certification and Meaning Use requirements, should be a requirement of new facilities and services which exceed a predefined threshold of materiality.
7. ***Exempting Services for which CON is no longer necessary*** – We believe entities that treat a disproportionate number of indigent and non-paying patients, relative to other hospitals and health systems in the region, should be exempt from CON requirements.

As a general rule, our goal at UC Health is to assist providers within our region in keeping as much care local as possible and, when more complex care is necessary, we strive to be the first-to-mind provider within the region. It is also our hope that support for our mission can be facilitated through clinical relationships that create value, as opposed to redundancies, within both our primary and secondary service areas, both of which include portions of Northern Kentucky. We believe development of higher-end, duplicative clinical services diminishes quality by spreading volume widely, particularly in a region with limited growth potential. Alignment of interests, integration of services, and clinical collaboration will better service the residents of Kentucky by promoting the efficient delivery of high quality, specialized healthcare services.

In closing, our mission is centered upon UC Health's affiliation with the University of Cincinnati's College of Medicine. In addition to the complex care provided at UC Medical Center, the only tertiary hospital within our region, it is equally important to note that many UC College of Medicine graduates remain practicing within our region. For this and other reasons, we believe it benefits our region to care for complex medical and surgical cases within an Academic Medical Center, whenever possible. On behalf of UC Health, I want to thank Kentucky's Cabinet for Health and Family Services Office of Health Policy for this opportunity to provide input and wish the best for an outcome that will enhance access to care, quality, and value for all residents of Kentucky.

Respectfully,

Richard P. Lofgren, MD, MPH, FACP
President & CEO